

Message Text

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PAGE 01 BRASIL 04575 241322Z

45

ACTION TRSE-00

INFO OCT-01 ARA-16 ISO-00 EB-11 COME-00 CIAE-00 INR-10

NSAE-00 RSC-01 DRC-01 (ISO) W

----- 006329

R 241255Z JUN 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 4046

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 4575

PASS TREASURY OASIA (FRED LEVY)

E.O. 11652: N/A

TAGS: ETRD, EFIN, BR

SUBJECT: FURTHER CLARIFICATION ON FIANCE MINISTER SIMONSEN'S
COMMENTS RE BRAZIL EXPORT INCENTIVE SYSTEM

REF: (A) BRASILIA 4267 (B) BRASILIA 4527

1. WE HAVE CHECKED WITH ARY PINTO, INTERNATIONAL ECONOMIC ADVISOR TO MINISTER SIMONSEN, ABOUT THE COMMENTS MADE BY THE FINANCE MINISTER DURING HIS MEETING WITH SECRETARY SIMON WITH REGARD TO CHANGES IN BRAZIL'S EXPORT INCENTIVE SYSTEM. AFTER TREASURY REP'S INQUIRY, PINTO SOUGHT CLARIFICATION FROM SIMONSEN SINCE HE (PINTO) WAS PERSONALLY NOT RPT NOT AWARE OF ANY DECISION IN THIS REGARD AND THAT HE THOUGHT THE MINISTER'S COMMENTS AS STATED WERE SUBJECT TO MIS-INTERPRETATION. AFTER CHECKING WITH THE MINISTER, ARY PINTO CALLED AND SAID THAT THE MINISTER'S REMARKS WERE MERELY INTENDED TO CONVEY THE "INTENTION" OF THE GOB TO MAKE THE EXPORT SYSTEM "GATT-ABLE". HE CONFIRMED THAT THIS WHOLE MATTER IS PRESENTLY UNDER STUDY AND THAT CHANGES WILL REQUIRE LEGISLATION. PINTO WAS NOT RPT NOT AWARE OF A SPECIFIC FINANCE MINISTRY PROPOSAL ON HOW TO MAKE THE SYSTEM "GATT-ABLE".

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PAGE 02 BRASIL 04575 241322Z

2. WHEN ASKED ABOUT THE SIGNIFICANCE OF THE ECONOMIC

DEVELOPMENT COUNCIL'S DECISION TO MAINTAIN THE PRESENT
EXPORT INCENTIVE SYSTEM (REF B), PINTO SAID THAT IT WAS
PRIMARILY A PSYCHOLOGICAL MOVE TO ALLAY THE FEARS OF THE EXPORT
INDUSTRY WHICH WAS CONCERNED THAT BRAZIL WOULD BE FORCED
TO LOWER ITS INCENTIVES IN ORDER TO MEET IMPORTING COUNTRIES'
COMPLAINTS AGAINST IT.
CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, TRADE PROMOTION, EXPORT SUBSIDIES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Markings:

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30 JUN 2005

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TAGS: ETRD, EFIN, BR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005